

MAIDSTONE CITIZENS ADVICE BUREAU
(A company limited by guarantee)

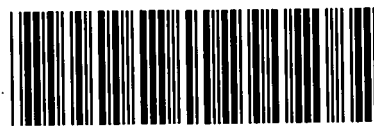
REPORTS AND ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2015

Registered Charity No. 299055

Company No. 02234220

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MAIDSTONE CITIZENS ADVICE BUREAU

LEGAL AND ADMINISTRATIVE INFORMATION

REFERENCE AND ADMINISTRATIVE DETAILS

The Maidstone Citizens Advice Bureau is a company limited by guarantee and a registered charity governed by its Memorandum and Articles of Association (Charity number 299055, Company number 02234220).

Citizens Advice Maidstone is the operating name of Maidstone Citizens Advice Bureau.

THE BOARD OF TRUSTEES

The Trustees of the charitable company are its directors for the purposes of company law and throughout this report are collectively referred to as the Trustees.

The members of the Board of Trustees who served during the year were as follows:-

ELECTED TRUSTEES

Sir Michael Buckley - (Chair)

Mr J Cobbett - (Treasurer)

Mrs W Kneller

Mrs S Hawkins

Mr I Owen

Cllr R Bird

CO-OPTED MEMBERS

Mrs J Gibson

Cllr M Ring

Mr S Cook

STAFF REPRESENTATIVES

Mr S Malhotra - (Hon Secretary)

Mrs M McFarlane

Mr P Taylor

REGISTERED OFFICE AND PRINCIPAL ADDRESS

2 Bower Terrace, Tonbridge Road, Maidstone, Kent ME16 8RY

STATUTORY AUDITORS

Day, Smith & Hunter, Globe House, Eclipse Park, Sittingbourne Road, Maidstone, Kent ME14 3EN

MAIDSTONE CITIZENS ADVICE BUREAU

REPORT OF THE BOARD OF TRUSTEES

For the year ended 31 March 2015

The Board of Trustees presents its report and the audited financial statements for the year ended 31 March 2015. The Trustees confirm that the annual report and financial statements of the Bureau comply with current statutory requirements, the requirements of the Bureau's governing document and the provisions of the Statement of Recommended Practice Charities (SORP) issued in March 2005.

OBJECTIVES AND ACTIVITIES

The Bureau provides independent, free, confidential, impartial advice to everybody regardless of race, gender, sexuality or disability. The Bureau aims to ensure that individuals do not suffer through a lack of knowledge of their rights and responsibilities or of the services available to them, or through an inability to express their needs effectively.

The Bureau also aims to exercise a responsible influence on the development of social policies and services both locally and nationally.

PUBLIC BENEFIT

The Trustees confirm that they have complied with the duty in section 4 of the Charities Act 2006 to have due regard to the guidance contained in the Charity Commission's general guidance on the public benefit when reviewing the Bureau's aims and objectives and in the planning of future activities.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Board of Trustees produces an annual report detailing the Bureau's activities during the year. The report is available on request from the Bureau's office.

(a) Method of appointment or election of Trustees

In accordance with the Articles of Association (revised 23 September 2013 to bring our Memorandum and Articles of Association in line with the national policy of Citizens Advice and the guidance of the Charity Commission) the Trustee Board consists of a minimum of 3 and a maximum of 15 members. There may be a maximum of 10 elected members, each of whom is elected for a term of three years by the members of the company at its Annual General Meeting. At expiry of their term of office elected trustees are eligible for re-election.

In addition the Trustee Board may co-opt members, whose number may not exceed one third of the total number of Trustees.

No member of the staff of the Bureau whether paid or voluntary can be a member of the Board. However, the Chief Executive, one representative of the paid staff and one representative of the voluntary staff, have the right to attend and speak (but not vote) at meetings of the Board.

(b) Operational structure and decision making

The Trustee Board sets the overall policy and direction of Bureau business within the parameters set by the Citizens Advice Membership Agreement and any Service Level Agreements or Contracts currently in being. Operational decisions are made by the Chief Executive subject to any specific Trustee Board directions and referring to the Trustee Board as necessary.

The Trustee Board meets once every two months. Financial oversight is delegated to the Finance Committee which meets 14 days before the Trustee Board to appraise financial reports and recommend action to the Trustee Board.

FINANCIAL REVIEW

The net surplus for the year amounted to £67,965. There was a surplus of £17,203 in relation to core business. As at 31 March 2015 general unrestricted reserves amount to £92,311.

MAIDSTONE CITIZENS ADVICE BUREAU

REPORT OF THE BOARD OF TRUSTEES

For the year ended 31 March 2015

(continued)

ACHIEVEMENTS AND PERFORMANCE

Citizens Advice Maidstone provides free, independent, confidential and impartial advice to everyone on their rights and responsibilities. We value diversity, promote equality and challenge discrimination. Our work helps people to solve problems and changes lives. Our main office is located on Tonbridge Road with another office at the Gateway in King Street we also run 3 outreach projects: in some parishes of the Borough. This enables us to reach out to a diverse and broad client base.

Clients can access our service face-to-face, by phone and via email. Some clients are empowered to solve problems by themselves; those requiring more support receive specialist casework. In order to prevent problems re-emerging, we also run educational services such as financial capability or energy efficiency training sessions in collaboration with local partners.

Our clients often come to us with more than one problem. As we deliver holistic support, we are able to help address multiple issues, with our services targeting the underlying issues as well as the symptoms of clients' problems. By offering advice and education across key areas such as benefits, debt, housing and employment, we aim to bring about positive changes in people's lives. This ranges from advice outcomes, such as maximising household income and improving health and well-being, through to softer benefits, such as improved family relationships.

We help clients deal with pressing issues, and helping empower them with the necessary skills and abilities for the future. Examining our value is crucial as the pressures on the public finances continue, and national and local spending is scrutinised further. It is our responsibility to communicate why Citizens Advice is an essential service and not just a 'nice to have'. Citizens Advice Maidstone is unique for many reasons: our 87 dedicated, highly trained volunteers; our presence within the community across the Borough; our impact solving 2 in 3 people's problems; and the wide range of issues we help people with. And so it will come as no surprise to those who work or interact with the service to learn that our value is also unique.

We also solve 1 in 2 consumer issues, where goods are faulty or people need help exercising their rights and getting redress. Through the advice we give, we turn lives around. Prior to advice people often feel stressed, anxious or depressed. Their relationships can be strained both at home and in the workplace, sometimes leading to the prospect of losing their job, their home or ending their relationship. Our research shows that our advice improves lives, with 4 in every 5 clients reporting that our help led to additional benefits; worries are diminished, confidence returns and a way forward can be found at home, at work, in the community, 95% of people are satisfied with our service.

For every £1 spent on the Citizens Advice service, we benefit our clients by £10.94, we save government and public services at least £1.51, and a minimum estimate of our social and economic value to society is £8.74. Our evidence reinforces what we've always known about our service – that it is not just what we do but also the way we do it that is of huge benefit to society. [Figures/Information published by Citizens Advice 2014]

Life is complicated. Sometimes people encounter challenges and problems that they don't know how to deal with, and they need help to overcome. Some clients can become trapped in a 'vicious cycle', with problems in different areas of their life reinforcing each other over time. In this situation, clients may struggle to think clearly and solve problems, and this is when they turn to us for help. Sometimes these issues can be quickly resolved. Other times it's not that simple. Problems can arise suddenly, affecting anyone without warning. In some cases there is a slow escalation: if the initial problem had been spotted earlier, later issues could have been avoided.

We have significant impact in the areas where clients experience greatest need, particularly in supporting mental well-being. Stopping problems from escalating, and reducing the impact they have on clients' lives, means that local and national government do not incur the cost of resolving the potential consequences: loss of employment, homelessness and poor health.

Our Bureau works to improve local and national policy and practice, through our research and campaigns work that draws on our unique and extensive knowledge of issues that affect our clients' lives.

MAIDSTONE CITIZENS ADVICE BUREAU

REPORT OF THE BOARD OF TRUSTEES

For the year ended 31 March 2015
(continued)

ACHIEVEMENTS AND PERFORMANCE (continued)

Locally we work with partners in local government and other agencies to improve the policies and practices that affect the community. We also work collectively with other CAs in Kent to inform public policy and help regulators, as well as influence private industry to make services fair for consumers. This enables us to solve broader problems, creating fairer circumstances for the wider public, as well as our immediate client base. In addition to local and national campaigning, we empower clients and communities to engage with society and make a difference to issues that matter. Increased community engagement can boost social cohesion, and a greater sense of citizenship can have real value for society. The importance of this is underscored by government commitment to promote social action, and build stronger united communities, as well as understanding the capacities for communities to create and embed social action and participation at their core.

Our clients' stories give us a wealth of insight into challenges faced by local residents. Where we encounter systemic barriers that prevent us from helping our clients, we work with partners and other agencies to improve the policies and practices that affect the local population. We also undertake research and campaigns work using our insight to make society fairer. In doing this we help our clients, and anyone affected by similar issues in our community.

With the real life evidence gleaned from our clients we seek to influence politicians, policy makers, regulators and companies to change rules and regulations for the benefit of everyone. From the cap on the cost of payday loans to regulations preventing retaliatory evictions, our reach is wider than the clients we see. All of our activities and the way we work come together to benefit individuals, government and society. Our value stems from the way problems can affect individuals, and the detrimental impact they can have on their lives. This includes working with those most in need. Advice and education, research and advocacy can mitigate this detriment – through resolving problems now and preventing them in the future. This saves money for the government, significantly for local authorities through helping to prevent evictions and homelessness, the Department for Work and Pensions (DWP) through helping to maintain people in work rather than on benefits, and the NHS through improving people's health and well-being. It also benefits society through healthier, happier people, moving forward with their lives with new confidence, participating in their community and working more productively – this is our value to society.

Research shows that all retired volunteers believe volunteering keeps them mentally active. Stopping work can have detrimental effects to older people's wellbeing, through reduced sense of purpose, structure and loneliness. By strengthening communities and bringing people closer together, this improves social cohesion and gives people a greater stake in their locality - 3 in 4 volunteers feel better equipped to be an advocate for their community. This can lead to greater action on behalf of a community, and volunteering can inspire and prepare individuals for this. Citizens Advice volunteers can also act as sources of advice, support and knowledge for their friends and families – with 4 in 5 saying that they have fulfilled this role. Overall, the informal networks of advice that stem from the CA volunteering experience create resilient communities.

Our established national brand makes us a household name, and clients access a well-known and trusted service. Out of 22 national charities, the Citizens Advice service is ranked by the general public as being the most helpful, approachable, professional, informative, effective/cost effective, reputable and accountable. Being part of a national infrastructure, which gives us access to support and additional services, adds to our credibility and reliability. CABs support each other, sharing knowledge of challenges and good practice, so we can best use our resources to support our clients. It is also this network that enables us to come together to do more, be it to campaign on big issues, inform national policy or connect people with society

The Bureau Trustees have devolved the power of financial controls to the Finance Committee which meets at least six times each year. The Finance Committee maintained a strict control on the Bureau finances and through careful management returned a small deficit at the end of the year. At the year end the Bureau's general unrestricted reserves stood at £92,311.

MAIDSTONE CITIZENS ADVICE BUREAU

REPORT OF THE BOARD OF TRUSTEES

For the year ended 31 March 2015
(continued)

PLANNING FOR THE FUTURE

The business strategy adopted by the Trustee Board is to safeguard the core service of free generalist advice covering a full range of issues. This service is largely funded by a grant from Maidstone Borough Council, for whose continuing support we are most grateful. The Bureau also seeks funding from other sources in order to be able to provide additional services if it is financially prudent to do so. The Bureau's management has been successful in securing such funding from a variety of sources, including the Advice Services Transition Fund, PensionWise, Kent & Police Crime Commissioners Office, The J Paul Getty Jr Trust, The Multiple Sclerosis Society and Maidstone Prison Service.

An important element of the business strategy is to increase the range of skills of our volunteer advisers so that only the most complex cases need to be handled by specialist paid staff. Training courses developed to this end have successfully delivered training sessions enabling our staff and partners front-line workers to work more effectively. In developing the Bureau's work further, training is also being provided to volunteers and clients alike in the use of Digital Technology so that clients may be assisted from where they are without needing to make a journey to the Bureau premises. Further investigations are taking place to seek out innovative ways in which advice and assistance is provided to those in need. In order to increase the scope of our work, more people from different walks of life and communities are being encouraged to join the Bureau and train with us.

RESERVES POLICY

The Board of Trustees regularly reviews the reserves of the Bureau. Each review encompasses the nature of the income and expenditure streams and the need to match variable income with fixed commitments and the nature of reserves. The Bureau sets aside restricted funds as set out in the Statement of Financial Activities. All other monies are treated as general funds and are utilized accordingly. The level of reserves rose during 2014-15 through the careful management of bureau finances. In order to make the Bureau financially secure additional funds have been allocated to the Pension Deficit Fund so that the required funds can be suitably allocated. In the opinion of the Trustees the present level of reserves is sufficient to maintain the activities of the Bureau in the event of a presently unforeseen crisis or interruption of income for a period of time during which any adverse situation would be appropriately addressed.

GOING CONCERN

Accounting standards require the Trustees to consider the appropriateness of the going concern basis when preparing the financial statements. The Trustees confirm that they consider that the 'going concern' basis remains appropriate. The Trustees have taken notice of the Financial Reporting Council guidance 'Going Concern and Liquidity Risk: Guidance for Directors of UK Companies 2009' which requires the reasons for this decision to be explained.

The Trustees regard the 'going concern' basis as remaining viable as the charity has adequate resources to continue in operational existence for the foreseeable future on the basis that there are adequate cash reserves within the charity.

MAIDSTONE CITIZENS ADVICE BUREAU

REPORT OF THE BOARD OF TRUSTEES

For the year ended 31 March 2015
(continued)

TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The Trustees as directors are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the results of the charity for that period. In preparing these financial statements, the Trustees are required to:-

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with Companies Act 2006 and the Charities Act 2011.

They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DISCLOSURE OF INFORMATION TO AUDITORS

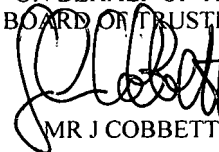
In accordance with company law, as the company's directors, we confirm that:

- so far as we are aware, there is no relevant audit information of which the charity's auditors are unaware; and
- as the directors of the company we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

SPECIAL EXEMPTIONS

The above report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE
BOARD OF TRUSTEES



MR J COBBETT

REGISTERED OFFICE
2 Bower Terrace
Tonbridge Road
Maidstone
Kent ME16 8RY

13 July 2015.....

MAIDSTONE CITIZENS ADVICE BUREAU

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES

FOR THE YEAR ENDED 31 MARCH 2015

We have audited the financial statements of Maidstone Citizens Advice Bureau for the year ended 31 March 2015 set out on pages 9 to 17. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and the charitable company's trustees as a body in accordance with section 154 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement, the Trustees' (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed auditor under section 151 of the Charities Act 2011 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

Our responsibility is to audit and express an opinion on the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (United Kingdom and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition we read all the financial and non-financial information in the Report of the Board of Trustees to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2015 and of its outgoing resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

MAIDSTONE CITIZENS ADVICE BUREAU

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES

FOR THE YEAR ENDED 31 MARCH 2015

(continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us;
- the financial statements are not in agreement with the accounting records and returns;
- certain disclosures of Trustees' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the trustees were not entitled to prepare the financial statements and the Trustees' Annual Report in accordance with the small companies regime.

Michael Startup FCA (Senior Statutory Auditor)
For and on behalf of Day, Smith & Hunter
Chartered Accountants
Statutory Auditor

Globe House
Eclipse Park
Sittingbourne Road
Maidstone
Kent ME14 3EN

13 July 2015

MAIDSTONE CITIZENS ADVICE BUREAU

STATEMENT OF FINANCIAL ACTIVITIES

(INCLUDING INCOME AND EXPENDITURE ACCOUNT)

For the year ended 31 March 2015

| | <u>Notes</u> | <u>Unrestricted funds</u> | <u>Restricted funds</u> | <u>Total 31.3.2015</u> | <u>Total 31.3.2014</u> |
|---|--------------|-------------------------------|-----------------------------|----------------------------|----------------------------|
| INCOMING RESOURCES | | | | | |
| Incoming resources from activities for generating funds | | | | | |
| Fundraising | | 4,024 | - | 4,024 | 9,607 |
| Donations | | 2,595 | - | 2,595 | 2,934 |
| Investment income | | 503 | - | 503 | 944 |
| Incoming resources from charitable activities | | | | | |
| Maidstone Borough Council grants | | 196,210 | - | 196,210 | 200,693 |
| Legal Services Commission | | 9,412 | - | 9,412 | 39,411 |
| IDVA Grant (Community) | | - | 41,656 | 41,656 | 40,000 |
| CITA Grants | | 11,015 | - | 11,015 | 18,300 |
| Golding Homes | | 5,000 | - | 5,000 | 3,000 |
| Advice Services Transition Fund | | - | 167,189 | 167,189 | 134,085 |
| Pensionwise | | - | 29,848 | 29,848 | - |
| John Paul Getty Fund | | - | 95,000 | 95,000 | - |
| Kent County Council Children's Centres | | - | - | - | 6,000 |
| Healthwatch | | - | 18,209 | 18,209 | 85,768 |
| Orbit Housing | | - | - | - | 5,000 |
| Other projects | | 17,864 | - | 17,864 | 15,338 |
| Total incoming resources | | <u>246,623</u> | <u>351,902</u> | <u>598,525</u> | <u>561,080</u> |
| RESOURCES EXPENDED | | | | | |
| Charitable activities | 2 | 226,706 | 297,765 | 524,471 | 576,933 |
| Governance costs | 3 | 2,714 | 3,375 | 6,089 | 5,281 |
| Total resources expended | | <u>229,420</u> | <u>301,140</u> | <u>530,560</u> | <u>582,214</u> |
| NET INCOMING/(OUTGOING) RESOURCES | | | | | |
| | 4 | 17,203 | 50,762 | 67,965 | (21,134) |
| Total funds at 1 April 2014 | | <u>75,108</u> | <u>16,857</u> | <u>91,965</u> | <u>113,099</u> |
| Total funds at 31 March 2015 | 6,7 | <u>£92,311</u> | <u>£67,619</u> | <u>£159,930</u> | <u>£91,965</u> |

The income and expenditure account should be read in conjunction with the reconciliation and analysis of movements of the funds in notes 6 and 7 on pages 13 and 14 respectively.

The notes on pages 11 to 17 form part of these accounts.

MAIDSTONE CITIZENS ADVICE BUREAU

BALANCE SHEET

As at 31 March 2015

| | <u>Notes</u> | | <u>31.3.2014</u> |
|---|--------------|-----------------|------------------|
| TANGIBLE FIXED ASSETS | 5 | 8,197 | 2,962 |
| CURRENT ASSETS | | | |
| Other debtors and prepayments | | 876 | 25,585 |
| Cash at bank | | 220,044 | 210,100 |
| Cash in hand | | 412 | 408 |
| | | <u>221,332</u> | <u>236,093</u> |
| CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR | | | |
| Accruals and deferred income | | 69,599 | 146,474 |
| Other taxes and social security | | - | 616 |
| | | <u>69,599</u> | <u>147,090</u> |
| NET CURRENT ASSETS | | 151,733 | 89,003 |
| NET ASSETS | | <u>£159,930</u> | <u>£91,965</u> |
| | | | |
| UNRESTRICTED FUNDS | 6 | 92,311 | 75,108 |
| RESTRICTED FUNDS | 7 | 67,619 | 16,857 |
| | | <u>£159,930</u> | <u>£91,965</u> |

The accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Approved by the Board of Trustees on 13 July 2015

M. S. Buckley
 SIR MICHAEL BUCKLEY
 CHAIR OF THE BOARD OF TRUSTEES

J. Cobbett
 MR J COBBETT
 MEMBER OF THE BOARD OF TRUSTEES

Company No. 02234220

The notes on pages 11 to 17 form part of these accounts.

MAIDSTONE CITIZENS ADVICE BUREAU

NOTES TO THE ACCOUNTS

31 March 2015

1. ACCOUNTING POLICIES

a) Accounting convention

The financial statements are prepared on the historical cost basis of accounting and have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

In preparing the financial statements the Bureau follows best practice as set out in the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP) published in March 2005.

The Bureau has availed itself of Paragraph 4(1) of Schedule 1 of The Small Companies and Groups (Accounts and Directors' Report) Regulations 2008 and adapted the Companies Act formats to reflect the special nature of the Bureau's activities.

b) Charitable status

The Bureau was incorporated with charitable status and is limited by guarantee, not having a share capital. In the event of the Charity being wound up the liability in respect of the guarantee is limited to £1 per member of the Charity.

No corporation tax liabilities therefore arise on the surplus of any income over expenditure for the year.

c) Fund accounting

Unrestricted funds are those available for use at the discretion of the Trustees in the furtherance of the general objectives of the Bureau and which have not been designated for other purposes. Designated funds are funds that have been set aside by the Trustees for particular purposes. Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors which have been raised by the Bureau for particular purposes.

d) Incoming resources

Income is recognised in the accounts on an accruals basis with the exception of donations which are recognised on a cash received basis.

Grants are recognised in full in the Statement of Financial Activities in the year in which they are receivable.

e) Resources expended

Expenditure is recorded on an accruals basis and allocated on the following basis:-

- Costs directly allocated - actual basis.
- Support costs - depending on type of cost and the Trustees' best estimate of usage.
- Governance costs – actual basis

f) Tangible fixed assets and depreciation

Tangible fixed assets for use by the Bureau are stated at cost less depreciation. Depreciation is provided on office and computer equipment to write off the cost, less estimated residual value of assets over their expected useful economic life of two or three years.

g) Operating leases

Rentals payable under operating leases are charged on a straight line basis over the lease term.

h) Pensions

Contributions payable to the Bureau's multi-employer pension plan are charged to the income and expenditure account on a payments basis.

MAIDSTONE CITIZENS ADVICE BUREAU

NOTES TO THE ACCOUNTS

31 March 2015

(continued)

2. CHARITABLE ACTIVITIES

| | <u>Unrestricted funds</u> | <u>Restricted funds</u> | <u>Total 31.3.2015</u> | <u>Total 31.3.2014</u> |
|---|-------------------------------|-----------------------------|----------------------------|----------------------------|
| Costs directly allocated to activities: | | | | |
| Staff costs | 166,853 | 179,216 | 346,069 | 387,929 |
| Travel | 4,131 | 7,350 | 11,481 | 10,774 |
| Training costs | 30 | 200 | 230 | 434 |
| Grants payable | - | 43,247 | 43,247 | 19,676 |
| Support costs allocated to activities: | | | | |
| Staff costs | 22,754 | 24,438 | 47,192 | 52,899 |
| Premises costs | 14,120 | 17,858 | 31,978 | 36,304 |
| General office costs | 16,191 | 22,241 | 38,432 | 65,459 |
| Bank charges | 203 | 253 | 456 | 334 |
| Depreciation | 2,424 | 2,962 | 5,386 | 3,124 |
| | <u>226,706</u> | <u>297,765</u> | <u>524,471</u> | <u>576,933</u> |

3. GOVERNANCE COSTS

| | <u>Unrestricted funds</u> | <u>Restricted funds</u> | <u>Total 31.3.2015</u> | <u>Total 31.3.2014</u> |
|------------------------|-------------------------------|-----------------------------|----------------------------|----------------------------|
| Auditors' remuneration | 1,874 | 2,291 | 4,165 | 3,858 |
| Meeting costs | 840 | 1,084 | 1,924 | 1,423 |
| | <u>2,714</u> | <u>3,375</u> | <u>6,089</u> | <u>5,281</u> |

4. NET (OUTGOING)/INCOMING RESOURCES

| | <u>31.3.2015</u> | <u>31.3.2014</u> |
|---|------------------|------------------|
| This is stated after charging:- | | |
| Trustees remuneration | £- | £19,282 |
| Auditors' remuneration | £4,165 | £3,858 |
| Rent payable on property under operating leases | £21,999 | £22,000 |
| Depreciation of computer and office equipment | £5,386 | £3,124 |

Trustees remuneration relates wholly to two paid senior members of staff (who are also accruing retirement benefits under a defined benefit scheme) for the period to 24 September 2014 when they ceased to be trustees.

The average number of salaried employees during the year was 21 (2014: 24). No employee earned more than £60,000 per annum (2014: none).

MAIDSTONE CITIZENS ADVICE BUREAU

NOTES TO THE ACCOUNTS

31 March 2015

(continued)

5. TANGIBLE FIXED ASSETS

| | <u>Office and computer equipment</u> |
|---------------------------|--|
| <u>Cost</u> | |
| At 1 April 2014 | 85,706 |
| Additions | 10,621 |
| At 31 March 2015 | <u>£96,327</u> |
| <u>Depreciation</u> | |
| At 1 April 2014 | 82,744 |
| Charge for the year | 5,386 |
| At 31 March 2015 | <u>£88,130</u> |
| <u>Net book value</u> | |
| At 31 March 2015 | <u>£8,197</u> |
| At 31 March 2014 | <u>£2,962</u> |

6. UNRESTRICTED FUNDS

Part of the unrestricted funds has been designated as being allocated to the Pension Fund to provide resources for future pension fund liabilities (note 10). The Premises and Development Fund has been designated to provide for future resources in these two areas. The movement on these funds for the year are as follows:-

| | <u>31.3.2015</u> | | <u>31.3.2014</u> |
|--------------------------------------|------------------|----------------|------------------|
| General Funds | | | |
| Balance brought forward 1 April 2014 | 26,956 | 41,689 | |
| Net incoming/(outgoing) resources | 17,203 | (14,733) | |
| Transfer to Pension Fund | <u>(15,000)</u> | - | |
| | 29,159 | <u>26,956</u> | 26,956 |
| Pension Fund | | | |
| Balance brought forward 1 April 2014 | 20,000 | 20,000 | |
| Transfer from General Fund | <u>15,000</u> | - | |
| | 35,000 | <u>20,000</u> | 20,000 |
| Premises and Development Fund | | | |
| Balance brought forward 1 April 2014 | 28,152 | 28,152 | |
| Transfer from General Fund | <u>-</u> | - | |
| | <u>28,152</u> | <u>28,152</u> | 28,152 |
| As at 31 March 2015 | <u>£92,311</u> | <u>£75,108</u> | <u>£75,108</u> |

MAIDSTONE CITIZENS ADVICE BUREAU

NOTES TO THE ACCOUNTS

31 March 2015

(continued)

7. RESTRICTED FUNDS

| | <u>Balance at 1 April 2014</u> | <u>Incoming resources</u> | <u>Resources expended</u> | <u>Balance at 31 March 2015</u> |
|---|------------------------------------|-------------------------------|-------------------------------|-------------------------------------|
| John Paul Getty Fund | - | 95,000 | (46,865) | 48,135 |
| Independent Domestic Violence Adviser Project | 16,857 | 41,656 | (45,236) | 13,277 |
| Healthwatch | - | 18,209 | (18,209) | - |
| Advice Services Transition Fund | - | 167,189 | (167,189) | - |
| Pensionwise | - | 29,848 | (23,641) | 6,207 |
| | <u>£16,857</u> | <u>£351,902</u> | <u>£(301,140)</u> | <u>£67,619</u> |

The objective of the John Paul Getty Fund is to improve the prospects of prisoners by offering advice and guidance to them and their families.

The objective of the Independent Domestic Violence Adviser Project is to provide domestic violence advice to people in the community.

The objective of Healthwatch is to be a champion for the voice of the people within the health and social care services sector.

The objective of the Advice Services Transition Fund is to support clients within the Social Welfare Law Services (housing, debt employment and welfare benefits) and to provide training for frontline workers of the partner organisations.

The objective of Pensionwise is to provide impartial pension advice and guidance.

8. ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | <u>Unrestricted funds</u> | <u>Restricted funds</u> | <u>Total</u> |
|--|-------------------------------|-----------------------------|-----------------|
| Tangible fixed assets | 7,993 | 204 | 8,197 |
| Current assets | 92,938 | 128,394 | 221,332 |
| Creditors: Amounts falling due within one year | (8,620) | (60,979) | (69,599) |
| | <u>£92,311</u> | <u>£67,619</u> | <u>£159,930</u> |

9. FINANCIAL COMMITMENTS

The Bureau had annual commitments under non-cancellable operating leases as follows:-

| | <u>31.3.2015</u> | <u>31.3.2014</u> |
|------------------------|---------------------------|------------------|
| | <u>Land and Buildings</u> | |
| Expiry in 2 to 5 years | <u>£22,000</u> | <u>£22,000</u> |

The lease is subject to 5 yearly rent reviews and at the last review in 2014 the annual rent remained at £22,000. The lease will expire in 2017.

MAIDSTONE CITIZENS ADVICE BUREAU

NOTES TO THE ACCOUNTS

31 March 2015

(continued)

10. PENSION COMMITMENTS

Maidstone Citizens Advice Bureau participates in the Pensions Trusts' Growth Plan (the Plan). The Plan is funded and is not contracted out of the state scheme. The Growth Plan is a multi-employer pension plan.

Contributions paid into the Growth Plan up to and including September 2001 were converted to defined amounts of pension payable from Normal Retirement Date. From October 2001 contributions were invested in personal funds which have a capital guarantee and which are converted to pension on retirement, either within the Plan or by the purchase of an annuity.

The rules of the Plan allow for the declaration of bonuses and/or investment credits if this is within the financial capacity of the Plan assessed on a prudent basis. Bonuses/investment credits are not guaranteed and are declared at the discretion of the Plan's Trustee.

The Trustee commissions an actuarial valuation of the Growth Plan every three years. The purpose of the actuarial valuation is to determine the funding position of the Plan by comparing the assets with the past service liabilities as at the valuation date. Asset values are calculated by reference to market levels. Accrued past service liabilities are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected future investment returns.

The rules of the Growth Plan give the Trustee the power to require employers to pay additional contributions in order to ensure that the statutory funding objective under the Pensions Act 2004 is met. The statutory funding objective is that a pension scheme should have sufficient assets to meet its past service liabilities, known as Technical Provisions.

If the actuarial valuation reveals a deficit, the Trustee will agree a recovery plan to eliminate the deficit over a specified period of time either by way of additional contributions from employers, investment returns or a combination of these.

The rules of the Plan state that the proportion of obligatory contributions to be borne by the Member and the Member's Employer shall be determined by agreement between them. Such agreement shall require the employer to pay part of such contributions and may provide that the employer shall pay the whole of them.

Maidstone Citizens Advice Bureau paid contributions of £15,686 (2014: £15,627) at the rate of 6% during the accounting period. Members paid contributions at the rate of 4% during the accounting period.

As at the balance sheet date there were six active members of the Plan employed by Maidstone Citizens Advice Bureau. Maidstone Citizens Advice Bureau continues to offer membership of the Plan to its employees.

It is not possible in the normal course of events to identify on a reasonable and consistent basis the share of underlying assets and liabilities belonging to individual participating employers. The Growth Plan is a multi-employer scheme where the scheme assets are co-mingled for investment purposes, and benefits are paid from the total scheme assets. Accordingly, due to the nature of the Plan, the accounting charge for the period under FRS17 represents the employer contributions payable in the year.

The valuation results at 30 September 2011 were completed in 2012 and have been formalised. The valuation of the Scheme was performed by a professionally qualified actuary using the Projected Unit Method. The market value of the Scheme's assets at the valuation date was £780 million and the Plan's Technical Provisions (ie past service liabilities) were £928 million. The valuation therefore revealed a shortfall of assets compared with the value of liabilities of £148 million, equivalent to a funding level of 84%.

MAIDSTONE CITIZENS ADVICE BUREAU

NOTES TO THE ACCOUNTS

31 March 2015

(continued)

10. PENSION COMMITMENTS (continued)

The financial assumptions underlying the valuation as at 30 September 2011 were as follows:-

| | % |
|--|-----------|
| | Per annum |
| Rate of return pre-retirement | 4.9 |
| Rate of return post retirement: | |
| Actives/deferreds | 4.2 |
| Pensioners | 4.2 |
| Bonuses on accrued benefits | 0 |
| Inflation: Retail Prices Index (RPI) | 2.9 |
| Inflation: Consumer Prices Index (CPI) | 2.4 |

In determining the investment return assumptions the Trustee considered advice from the Scheme Actuary relating to the probability of achieving particular levels of investment return. The Trustee has incorporated an element of prudence into the pre and post retirement investment return assumptions; such that there is a 60% expectation that the return will be in excess of that assumed and a 40% chance that the return will be lower than that assumed over the next 10 years.

The Scheme Actuary has prepared a funding position update as at 30 September 2014. The market value of the Plan's assets at that date was £772 million and the Plan's Technical Provisions (ie past service liabilities) were £927 million. The update therefore revealed a shortfall of assets compared with the value of liabilities of £155 million equivalent to a funding level of 83%.

If an actuarial valuation reveals a shortfall of assets compared to liabilities the Trustee must prepare a recovery plan setting out the steps to be taken to make up the shortfall.

The Pensions Regulator has the power under Part 3 of the Pensions Act 2004 to issue scheme funding directions where it believes that the actuarial valuation assumptions and/or recovery plan are inappropriate. For example the Regulator could require that the Trustee strengthens and actuarial assumptions (which would increase the scheme liabilities and hence impact on the recovery plan) or impose a schedule of contributions on the Scheme (which would effectively amend the terms of the recovery plan). A copy of the recovery plan in respect of the September 2011 valuation was forwarded to the Pensions Regulator on 2 October 2012, as is required by legislation.

Following a change in legislation in September 2005 there is a potential debt on the employer that could be levied by the Trustee of the Plan and the Pensions Act 2011 has more recently altered the definition of Series 3 Growth Plan so that a liability arises to employees from membership of any Series except Series 4. The debt is due in the event of the employer ceasing to participate in the Plan or the Plan winding up.

MAIDSTONE CITIZENS ADVICE BUREAU

NOTES TO THE ACCOUNTS

31 March 2015

(continued)

10. PENSION COMMITMENTS (continued)

The debt for the Plan as a whole is calculated by comparing the liabilities for the Plan (calculated on a buy-out basis ie the cost of securing benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the Plan. If the liabilities exceed assets there is a buy-out debt.

The leaving employer's share of the buy-out debt is the proportion of the Plan's liability attributable to employment with the leaving employer compared to the total amount of the Plan's liabilities (relating to employment with all the currently participating employers). The leaving employer's debt therefore includes a share of any 'orphan' liabilities in respect of previously participating employers. The amount of the debt therefore depends on many factors including total Plan liabilities, Plan investment performance, the liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation event and the insurance buy-out market. The amounts of debt can therefore be volatile over time.

When an employer withdraws from a multi-employer defined benefit scheme which is in deficit, the employer is required by law to pay its share of the deficit, calculated on a statutory basis (known as the buy-out basis). Due to a change in the definition of money purchase contained in the Pensions Act 2011 the calculation basis that applies to the Growth Plan will be amended to include Series 3 liabilities in the calculation of an employer's debt on withdrawal.

The Pensions Act 2011 also proposed regulations which will make "consequential or transitional provisions to avoid adverse consequences". Should an employer withdraw prior to the regulations coming in to force (expected to be at the end of July 2014), they should contact The Pensions Trust to check whether the regulations could affect their debt on withdrawal calculation.

The Growth Plan is a "last man standing" multi-employer scheme. This means that if a withdrawing employer is unable to pay its debt on withdrawal the liability is shared amongst the remaining employers. The participating employers are therefore, jointly and severally liable for the deficit in the Growth Plan. As at 30 September 2014 the total deficit calculated on the buy-out basis was £219.9m.

Maidstone Citizens Advice Bureau was notified by the Pensions Trust of the estimated employer debt on withdrawal from the Plan based on the financial position of the Plan as at 30 September 2014. As of that date the estimated employer debt for Maidstone Citizens Advice Bureau was £98,964.

MAIDSTONE CITIZENS ADVICE BUREAU
DETAILED INCOME AND EXPENDITURE ACCOUNT

For the year ended 31 March 2015

| | Unrestricted funds | Restricted funds | Total 31.3.2015 | Total 31.3.2014 |
|---------------------------------------|-----------------------|---------------------|--------------------|--------------------|
| INCOME | | | | |
| Maidstone Borough Council | | | | |
| - annual grant | 185,000 | - | 185,000 | 185,000 |
| - welfare reform initiative | 11,210 | - | 11,210 | 15,693 |
| Legal Services Commission | 9,412 | - | 9,412 | 39,411 |
| IDVA Grant (Community) | - | 41,656 | 41,656 | 40,000 |
| CITA Grant | 11,015 | - | 11,015 | 18,300 |
| Pensionwise | - | 29,848 | 29,848 | - |
| Advice Services Transition Fund | - | 167,189 | 167,189 | 134,085 |
| Donations | 2,595 | - | 2,595 | 2,934 |
| Kent County Council Children's Centre | - | - | - | 6,000 |
| Deposit account interest | 503 | - | 503 | 944 |
| Golding Homes | 5,000 | - | 5,000 | 3,000 |
| Fundraising | 4,024 | - | 4,024 | 9,607 |
| Healthwatch | - | 18,209 | 18,209 | 85,768 |
| Orbit Housing | - | - | - | 5,000 |
| John Paul Getty Fund | - | 95,000 | 95,000 | - |
| Other projects | 17,864 | - | 17,864 | 15,338 |
| | <u>246,623</u> | <u>351,902</u> | <u>598,525</u> | <u>561,080</u> |
| EXPENDITURE | | | | |
| | <u>Schedules</u> | | | |
| GRANTS PAYABLE | - | 43,247 | 43,247 | 19,676 |
| ESTABLISHMENT EXPENSES | 1 | 14,120 | 17,858 | 36,304 |
| ADMINISTRATION EXPENSES | 2 | 211,419 | 236,068 | 512,596 |
| SUNDRY EXPENSES | 3 | 3,881 | 3,967 | 13,638 |
| | | <u>229,420</u> | <u>301,140</u> | <u>582,214</u> |
| SURPLUS/(DEFICIT) FOR THE YEAR | | <u>£17,203</u> | <u>£50,762</u> | <u>£(21,134)</u> |

MAIDSTONE CITIZENS ADVICE BUREAU

SCHEDULES TO THE DETAILED INCOME AND EXPENDITURE ACCOUNT

For the year ended 31 March 2015

| | <u>Unrestricted funds</u> | <u>Restricted funds</u> | <u>Total 31.3.2015</u> | <u>Total 31.3.2014</u> |
|---|-------------------------------|-----------------------------|----------------------------|----------------------------|
| 1. ESTABLISHMENT EXPENSES | | | | |
| Rent | 9,688 | 12,312 | 22,000 | 22,000 |
| Insurance - premises | 504 | 666 | 1,170 | 1,197 |
| Water | 262 | 321 | 583 | 504 |
| Gas | 508 | 621 | 1,129 | 1,376 |
| Electricity | 971 | 1,244 | 2,215 | 2,566 |
| Repairs and renewals - premises | 1,350 | 1,652 | 3,002 | 6,768 |
| Cleaning and cleaning materials | 837 | 1,042 | 1,879 | 1,893 |
| | <u>£14,120</u> | <u>£17,858</u> | <u>£31,978</u> | <u>£36,304</u> |
| 2. ADMINISTRATION EXPENSES | | | | |
| Salaries and social security costs | 181,350 | 196,225 | 377,575 | 425,201 |
| Employer's pension scheme contributions | 8,257 | 7,429 | 15,686 | 15,627 |
| Volunteers' travel | 4,131 | 7,350 | 11,481 | 10,774 |
| Training | 30 | 200 | 230 | 434 |
| Books, information and IT systems | 5,907 | 7,774 | 13,681 | 14,529 |
| Telephone | 2,284 | 4,303 | 6,587 | 8,384 |
| Printing and stationery | 2,415 | 3,318 | 5,733 | 6,405 |
| Postage | 638 | 671 | 1,309 | 1,477 |
| Advertising and publicity | 240 | 1,486 | 1,726 | 3,993 |
| Computer and office expenses | 1,589 | 2,092 | 3,681 | 22,985 |
| Tea and coffee | 471 | 587 | 1,058 | 1,231 |
| Insurance | 751 | 981 | 1,732 | 1,787 |
| Hire of rooms | 392 | 690 | 1,082 | 432 |
| Depreciation of office and computer equipment | 2,424 | 2,962 | 5,386 | 3,124 |
| Project costs | 902 | - | 902 | 1,167 |
| Input VAT reclaimable | (362) | - | (362) | (4,954) |
| | <u>£211,419</u> | <u>£236,068</u> | <u>£447,487</u> | <u>£512,596</u> |
| 3. SUNDRY EXPENSES | | | | |
| Bank charges | 203 | 253 | 456 | 334 |
| Auditors' remuneration | 1,874 | 2,291 | 4,165 | 3,858 |
| Sundry expenses | 425 | 224 | 649 | 147 |
| AGM and other meetings | 840 | 1,084 | 1,924 | 1,423 |
| Professional fees | 539 | 115 | 654 | 7,876 |
| | <u>£3,881</u> | <u>£3,967</u> | <u>£7,848</u> | <u>£13,638</u> |